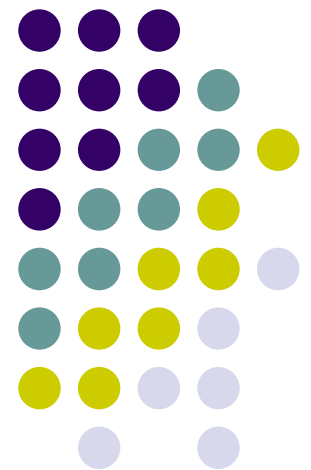


RETI Scope of Work and Schedule

Plenary Stakeholder Group
Kick-off Meeting
September 20, 2007





Scope of Work

RETI's work will be organized into three phases:

- Phase 1 – Identification and ranking of CREZs
- Phase 2 – Refinement of CREZ analysis for priority zones and development of statewide conceptual transmission plan
- Phase 3 – Detailed transmission planning for CREZs identified to be developed



Scope of Work

Phase 1 – Identification and ranking of CREZs

- Assessment of ***developable*** renewable resources in CA and neighboring states
- Identification of Competitive Renewable Energy Zones (CREZs) with potential for cost-effective renewable development
- Creation of short-list of top-priority CREZs



Scope of Work

Phase 2 – Refinement of CREZ analysis and development of statewide conceptual transmission plan

- Expand and refine the analysis of priority CREZs, including siting constraints
- Identify potential environmental, jurisdictional, and technological show-stopping issues for transmission and generation siting
- Prepare development resource mix scenarios and model capacity expansion
- Develop conceptual transmission plans for each CREZ in coordination with the California ISO and publicly-owned utilities;
- Begin examination of cost effectiveness of CREZ development relative to non-renewable/non-wire resources



Scope of Work

Phase 3 – Detailed transmission planning for CREZs identified to be developed

- Perform exhaustive analyses of highest priority CREZ, including generation and transmission scenarios and siting alternatives
- Identify the transmission project sponsor(s) for each CREZ
- Prepare transmission plan(s) of service through existing California ISO and POU transmission planning processes
- Achieve stakeholder consensus on the need for each transmission project, including a determination of need by the California ISO, POU or other relevant planning authority



Schedule for Phases

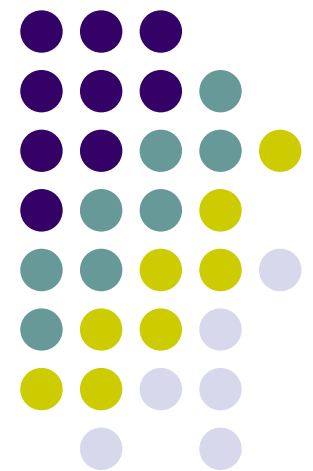
Phase 1 – 8 months

- 6 months to complete initial assessment of renewable resource base case (2008 – 2020 timeframe)
- 2 additional months for stakeholder validation of base case methodology and inputs

Phase 2 – 8 months from completion of Phase 1

Phase 3 – TBD

RETI Phase 1 – Details





Resource Assessment

- Review existing literature/reports, compile data on resource potential
- Work with stakeholders to validate resources and identify developable potential
 - Estimate busbar electricity costs today and into future
 - Define production profiles
 - Identify permitting/land use barriers
- Estimate high-level transmission costs



CREZ Identification and Ranking

- Rank developable resources by development timeframe and cost
- Develop consistent criteria for describing and ranking CREZs
- Aggregate resources into CREZs by geography and by development timeframe
- Rank CREZs by cost effectiveness
- Create short-list of top-priority CREZs



Stakeholder Participation

Stakeholder participation in Phase 1 is crucial:

- Inclusion of accurate, agreed-upon data inputs
- Development of accurate cost forecasts
- Identification of environmental and other siting constraints
- Creation of consistent methodology for describing and ranking CREZs
- Mitigation of concerns up-front to facilitate later project permitting

SSC members provide feedback and input, relay concerns of PSG members